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ABSTRACT

In August 1995, the Board of Regents of the University of Wisconsin (UW) System initiated a 10-month study to examine and address key challenges facing public higher education in Wisconsin during a time of competing demands for state resources. With participation by faculty, staff, students, elected officials, and the public, a series of draft recommendations were prepared by the Board for discussion with the UW System's stakeholders. Five regional public hearings were conducted by the Board. These were followed by a statewide town hall discussion sponsored by a consortium of commercial and public media outlets. This final report was prepared after consideration of comments on the draft recommendations. The report's contents include discussion of: (1) the UW System's environment; (2) the response of study recommendations to the environmental scan and public commentary; (3) public commentary; (4) UW's partnership with the state of Wisconsin; and (5) the synopsis of final recommendations. The recommendations address: preserving and enhancing access to quality, keeping college affordable, creating new knowledge and fostering career and professional development, and restructuring and improving the efficiency of the UW System. The report includes the full text of the final recommendations and lists of study staff. (EV)

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ED 449 708

# University of Wisconsin System Board of Regents

A

## FINAL REPORT

BY THE UNIVERSITY OF WISCONSIN SYSTEM

BOARD OF REGENTS

OF ITS

STUDY OF THE UW SYSTEM IN THE 21ST CENTURY

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# STUDY OF THE UW SYSTEM IN THE 21ST CENTURY

## FROM REGENT PRESIDENT MICHAEL W. GREBE

In August 1995, the Board of Regents of the University of Wisconsin System initiated a 10-month study to examine and address the key challenges facing public higher education in Wisconsin during a time of competing demands for state resources.

With participation by faculty, staff, students, elected officials, and the public, a series of draft recommendations were prepared by the Board for discussion with the UW System's stakeholders. Five regional public hearings were conducted by the Board. These were followed by a statewide "town hall" discussion sponsored by a consortium of commercial and public media outlets.

More than 1,200 individuals commented on the draft recommendations and related issues, reaffirming a broad interest in the UW System by the people of Wisconsin. In consideration of their thoughtful observations and suggestions, the final report of Study of the UW System in the 21st Century was prepared.

I would like to take this opportunity to thank those individuals who, by their participation in this process, have joined the Board of Regents in affirming the vital role the UW System has to play in Wisconsin's future.

Although the UW System is affected by trends in the external environment, the Board of Regents, UW System Administration, and our institutions have been working to achieve strategically important goals and objectives for the University, and thus, for Wisconsin's future. This report is a testimony to those efforts.

## PREFACE

In undertaking a *Study of the UW System in the 21st Century* we know we run the risk of being overtaken by events. If the University of Wisconsin Board of Regents had produced a *Study of the UW in the 20th Century* in 1896, it could hardly have foreseen a time when:

- Every third Wisconsin high school senior would go on to attend one of our 26 UW System campuses;
- More women than men would be enrolled as students;
- The federal role in funding higher education would be as significant, in some respects, as the state's;
- Widely scattered institutions, with diverse missions, would join with campuses not yet founded to

become the nation's eighth largest university system; and
- the state would *expect* its university system to be a leading partner in economic development, matching public and private investment with its own intellectual capital.

What *has* been constant throughout the nearly 150 years of public higher education in Wisconsin has been the persistent financial and moral support of the people of this state. Through wars, depressions, boom times and everything in between, the UW System institutions have been nurtured to maturity by an unflinching faith that education is the best investment the state can make in itself.

That investment now includes one of the world's premier research universities (UW-Madison), a strong urban-focused university (UW-Milwaukee), strategically located comprehensive campuses and two-year centers, and statewide UW-Extension. The state that built such a system can take pride in what it has accomplished.

Crossing the threshold into a new century is a largely symbolic passage. What is *real* is the need for continuous "future study," not once a decade but ongoing, so that the UW System can continue to be one of society's most farsighted and adaptable institutions.

Our painstaking study of the future of the UW System will not provide us with a perfect blueprint of everything that lies ahead. It does provide the best-informed opinion we have of the likely directions, the likely choices and the likely consequences for public higher education in the coming decade.

With the continuing support of those who believe strongly in the UW System, and with good plans to guide us, we are confident that we will be fully prepared for whatever an uncertain future holds.

## INTRODUCTION

For almost 150 years, our state has relied on the institutions of the University of Wisconsin System to teach its children, find innovative solutions for its problems, and strengthen this great democracy. Today, Wisconsin still expects public higher education to do all of this and more. **The UW System remains committed to exceeding the highest expectations**

Dramatic changes taking place around the world are echoed in every Wisconsin home, factory, farm, and city. The transformation of our nation culturally, demographically and economically, is reflected in the challenges confronting the UW System as we approach the 21st century, including:

- **Keeping college affordable for students of all ages and circumstances;**
- **Preserving and enhancing the quality of educational programs;**
- **Adapting computers and new technology for instructional use;**
- **Accommodating a rising tide of new freshman enrollment and the growing educational needs of the adult population;**

- **Using limited state funding more effectively and efficiently;**
- **Maintaining a leadership position in research and technology transfer; and**
- **Joining with K-12 schools, technical colleges and others in partnerships that serve society.**

To address these and other challenges, the Board of Regents undertook a Study of the University of Wisconsin System in the 21st Century in the fall of 1995. It concluded in April 1996 with public hearings at five locations throughout the state, as well as at nine other sites through the use of two-way compressed video. Approximately 1,200 individuals made suggestions as part of the public commentary process. In addition, a consortium of state news media held a number of ***We, The People"*** forums throughout the state to provide further public commentary on the preliminary study recommendations.

Study members included all Regents, all university Chancellors, UW System vice presidents, and representatives from the public, the faculty, the academic staff, and the student body. The Study Group met as a committee of the whole for the first two months to consider presentations by consultants on the environment facing the University System as it approaches the millennium. The Study then broke into five working groups to examine major areas of interest and develop recommendations for addressing four major goals:

- **Preserve and enhance access to quality;**
- **Keep college affordable;**
- **Create new knowledge and foster professional and career development; and**
- **Continue to restructure and improve the efficiency of the UW System.**

## PURPOSE

In August 1995, Regent President Michael W. Grebe articulated the purpose of the Study --- to focus on policy and practice which need to be changed or fine-tuned to facilitate the performance of the UW System in the 21st Century. He noted that, 10 years earlier, the Board of Regents undertook a more comprehensive strategic planning effort ***Planning the Future,*** and that the 21st Century Study should be a very "focused" exercise that "parallels" but does not replicate or replace ***Planning the Future***. Public testimony regarding the Study made it clear that this final report should reiterate the UW System's strong commitment to the many important policies which this planning effort did not change and which will continue to guide our progress into the 21st century. Four policies which received public comment were:

- ***Design for Diversity***. The UW System remains strongly committed to its longstanding policies for diversity. The UW System must educate graduates to live and work in a dynamic and diverse society.
- ***Research and public service missions***. The strong record of this university system in basic and applied research, and in outreach to local communities, businesses, and individuals, will continue. The "Wisconsin Idea" is, if anything, expanded in this report through the commitment to the use of instructional technology and distance education to enhance university presence and the access to the university through the Internet and other delivery modes.
- ***The commitment to quality***. Quality and access are top priorities of this university system. We remain committed to both but, where fiscal limitations require a choice, quality remains the first priority.

- ***Economic development.*** The UW System has long been a major stimulus to the Wisconsin economy through the approximately $440 million it brings into the state each year in federal support (including federal student aid), the impact of its research and technology transfer activities, and the overall quality of life it helps create. In addition, the "multiplier" effects of these expenditures boost incomes and earnings statewide. This emphasis will remain and continue to grow in the next century.

These policies are only a sampling of many which remain in place for the future. They are mentioned specifically because of explicit discussion and concerns about whether these policies remain a priority for the UW System. In April 1996, Regent President Grebe noted specifically in response to the public testimony that: ***"I suggest that we include in the final report ... a statement that recognizes our continuing commitment to all current policies not specifically modified by this study. Our silence doesn't mean we regard these topics as unimportant. In fact, they are very important."*** As Regent Grebe also noted [in his August 1995 charge to the Study], this exercise was not undertaken because the System is flawed, but to sustain its extraordinary leadership in maintaining quality, access, and affordability into a decade of change.

## ENVIRONMENT

In September, **Dr. Roger Benjamin of RAND Corporation** outlined the changing context in which public higher education finds itself. Demographically, he noted, white males were nearly 100% of the student body at the turn of the century, but now comprise about 30% nationally (in the University of Wisconsin System, white males comprise about 40% of the student body.)

Nationally, Dr. Benjamin noted, base budget cuts occurred for higher education in many states in the early 1990's, while in Wisconsin the first such reduction in the history of the UW System occurred in 1995-96. Assuming continuation of present trends, he predicted that Wisconsin spending on K-12 education will grow somewhat faster than revenues, that corrections spending will grow much faster, and that spending on the UW System will decrease from 10% of the general fund (and over 14% at merger in 1973) to 8% by the year 2005.

He predicted that the number of qualified students seeking admission to the UW System will increase and the result will be a need to face squarely how much access can be provided from dwindling state funding and who will pay for access beyond that level.

Meanwhile, demand for research and public service will increase, but increasing even basic research must address pressing social problems and stimulate economic growth. The demand for continuing education and consulting and technical assistance to all levels of government will increase, but universities will have to rely more on non-government sources of revenue to fund all sectors of operations.

As public expectations of the universities grow while public funding decreases, universities must "get the questions right" and make use of technology, productivity improvement strategies, and incentive systems.

**Wisconsin State Budget Director Richard Chandler** followed with a presentation on the state fiscal future. He noted that Wisconsin's revenue growth has been better than many other states, and that cost controls would limit growth in K-12 funding (at about 4.25% annually). Mr. Chandler nonetheless echoed the direction of the trends projected by Dr. Benjamin for corrections spending increases (at perhaps 10% annually) and medical assistance spending (perhaps 7% annually) while the state revenue growth assumption is 5.7% annually.

**Todd Berry, President of the Wisconsin Taxpayers Alliance** concurred with Dr. Benjamin, and projected growth in K-12 funding, from 42% of the state budget general fund expenditures in 1996-97 (based on the state's new commitment to assume two-thirds of school costs) to 46% of the General Fund by 2004. He noted that the school funding change could be summed up in the words "sum sufficient," and will be a "first-draw" on the treasury. This decision "changes everything" about state budgeting and budget priorities. Mr. Berry expects real growth in support of the university from state funds will be very limited as a result. He invited the UW System to think creatively about: whether it should let the private colleges absorb a greater percentage of projected growth in high school graduates; whether remediation should be ceded to the technical colleges or back to the high schools; whether there are profit centers within the university which can be used to generate revenues; whether the relationship between the State and the UW System (now a state agency) should be reconceptualized to decentralize administrative controls from the state to the university system.

In response to Regent questions, Mr. Berry recommended decentralized decision-making, organization structures that were flat and lean, and changes in incentive systems from a research emphasis to more rewarding of instruction.

In October, **Dr. Paul Voss of the UW-Madison Applied Population Laboratory** affirmed the projections of UW System for an upswing in the number of high school graduates over the next several years, due to the "baby boom echo". He noted that Wisconsin population growth is not uniform within the state, with 13 counties growing at faster than 6% for 1990-95 and seventeen growing at less than 6%. Agriculturally-dependent counties are among the hardest hit, such as Richland county (a decline of 0.3%). He notes that restructuring of the workforce may lead to a higher demand for continuing education as workers seek new skills and expertise.

Addressing diversity, Dr. Voss noted that Wisconsin is experiencing the changing face of the nation , but at a slower rate than in many other states. The non-white population is increasing at relatively rapid rates, but the bases from which the increases are occurring are relatively small, so that the numerical growth is less than elsewhere. From 1980-90, while Wisconsin's overall population grew at 4%, Whites increased 1.5%, African Americans 33%, Native Americans 28%, Hispanics 48%, and Asian-Pacific Islanders 143%.

**Dennis Jones, President of the National Center for Higher Education Management Systems** spoke to the need for systemwide planning that addresses the changes in demographics and the economic environment. However, he noted, this statewide planning also is urgently needed because the world of policy and planning has changed for universities. Students have become the majority shareholders in these institutions, as government shrinks as a funding source.



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Mr. Jones noted that the role of the Board is to set the expectations (policy) and the planning agenda, and that governance and decision authority should be reallocated from the top and decentralized to the institutions. Regulation at the state level and Board level should shift from deterrent to incentive-based, and accountability should be recognized as becoming increasingly diverse as students and employers have more say in the services offered by public universities. Heavier emphasis should be placed on issues of affordability as financial aid falls short of covering costs. The Board of Regents will have to become more active in the creation and maintenance of the assets of the system, including facilities, people and equipment. Professional development of faculty and staff will be increasingly essential investments. Boards should also ask the universities to reach out to K-12 education in partnership.

In November, the **Working Group on Access and Affordability** met with a group of twelve state legislators at the Capitol for a roundtable discussion focussing on access, tuition, and management flexibility. Legislators indicated that they have heard relatively few complaints regarding access to the UW System. In response to the question of whether access should be limited, they noted it was important to taxpayers that the UW System provide reasonable access. There was some concern about eliminating programs to cut costs as this reduces access, especially for place-bound students. There was clear legislative concern that program reductions send the message that students have to leave the local community to obtain an education (it also drives up the student's educational costs). Some legislators saw technology as a way to partially fill in this gap. There was also a view that some UW Centers are underutilized and better promotion of this resource may be needed.

Legislators indicated they were not interested in providing new buildings to accommodate growth. Rather they supported increased renovation and remodeling of existing facilities and the incorporation of new technologies into those structures.

Legislators supported increasing nonresident tuition, especially at UW-Madison, while keeping resident tuition low. There was no legislative sentiment for increasing state taxes to support the UW System.

Finally, on the issue of management flexibility, it was pointed out that the UW System received some gains in this area, but full charter status was unlikely. In response to a question regarding increasing UW System flexibility to generate nontraditional revenue resources, some legislators indicated that these efforts would most likely mean equivalent GPR reductions.

The **Working Group on Future Funding and Revenue Sources** identified the need for additional state GPR funding in the future to cover modest compensation and operating cost increases as well as in meeting additional student demand above that which the UW System has committed to absorb through productivity enhancements. In the absence of such investment by the state, the working group projected up to a ***$150 million revenue gap*** in meeting projected needs.

The UW System already has been proactive in meeting public concerns regarding access and affordability and in addressing the changing fiscal environment for higher education:

- We rank fourth nationally among all states in terms of the level of access to public higher education provided to high school graduates.
- We use a substantially lower proportion of its budget for administrative costs than peer university systems - 6.3% vs. 10.8% - and our overall expenditure per student is about 20 percent below that of our peers.
- Since merger, there have been 290 degree program eliminations systemwide compared with 263 program additions. In addition, the UW System is virtually unique nationally in the practice of

requiring that all new degree programs be funded from institutional base budgets.

- Tuition for resident undergraduates ranks near the bottom when compared with peers.
- The total cost of attendance for students in the UW System is 75% of the national average for all public universities and 25% of the national average for private universities (see chart below.) In addition, it has grown at a slower rate than the national average since 1990-91.

**Total Undergraduate Cost of Attendance: UW System vs. National Averages(Tuition & Fees + Room & Board)**

| | UW System * | Public University | Private University |
|---|---|---|---|
| 1990-91 | $4,364 | $5,584 | $16,503 |
| 1991-92 | $4,489 | $6,051 | $17,779 |
| 1992-93 | $4,728 | $6,442 | $18,898 |
| 1993-94 | $5,008 | $6,709 | $20,027 |
| 1994-95 | $5,262 | $7,035 | $21,152 |
| % Change: 90-91 to 94-95 | 20.6% | 26.0% | 28.2% |

* Excludes UW Centers. Source of national data: The College Board, September 1995.

- We annually produce one of the most comprehensive systemwide accountability reports in the nation.

***As the following page indicates, the final recommendations of the study closely parallel the advice of the external consultants who assisted with the environmental scan.***

## RESPONSE OF STUDY RECOMMENDATIONSTO ENVIRONMENTAL SCAN & PUBLIC COMMENTARY

The final recommendations of this Study closely parallel the advice from the presenters of the environmental scan in September and October, 1995.

**The Presenters advised:**

- Decentralizing decision-making authority.

**The Study recommends:**

- A strong set of management flexibility initiatives to decentralize operational decisions from the State and Board/System.

**The Presenters advised:**

- Emphasizing the care of assets, including staff, and more provision of professional development.

**The Study recommends:**

- More flexibility in capital budgeting and the unclassified personnel function to allow for the timely maintenance and care of capital and human assets, and an emphasis on staff development in the use of emerging technologies.

**The Presenters advised:**

- Making use of technology, productivity improvement strategies, and incentives.

**The Study recommends**:

- The Board will go forward with a budget request for the 1997-99 biennium for new distance education/instructional technology funding. Further, the UW System will be expanding the concept and measurement of "productivity" to include the effectiveness of all instruction-related activities.

**The Presenters advised:**

- Increasing reliance on private funding.

**The Study recommends:**

- Actively seeking private sources of funding, and rewarding successes in this area

**The Presenters advised:**

- Reaching out to K-12 institutions in effective partnership.

**The Study recommends:**

- The development and enhancement of partnerships with K-12 institutions and others.

**The Presenters advised:**

- Emphasizing issues of affordability.

**The Study recommends:**

- Reaffirmation of the existing Board tuition policy that tuition increases be "moderate and predictable."
- Several recommendations aim at reducing time to degree and hence overall cost.
- The Board recommends that we create new tools for helping make parents and students aware of the alternatives for financing college education.
- Emphasizes the opportunity for a quality education at UW-Centers at a lower cost while continuing to live at home for the first two years of university education.

## PUBLIC COMMENTARY

***"The Regents must be strong advocates for the UW System...not only with elected officials... but also with the citizens of Wisconsin whom we represent." Regent Michael Grebe - President, UW System Board of Regents***

The UW System Board of Regents held public hearings from March 20 through April 2 at UW-La Crosse, UW-Green Bay, UW-Madison, and UW-Milwaukee, using compressed video links to UW-Eau Claire, UW-River Falls, UW-Stout, UW-Superior, UW-Stevens Point, UW-Oshkosh, UW-Platteville, UW-Whitewater, and UW-Parkside. Public commentary was also taken at UW Center-Washington County in West Bend as part of the April Board of Regents meeting. In addition, the Regents invited testimony via e-mail and letter.

A total of 154 individuals testified in person at the public hearings; 63 individuals submitted e-mail (33 of whom were students), and 1,058 persons provided written remarks, of which 168 were students whose written remarks were delivered collectively to the Madison hearing. Thus, over 1,200 individuals provided suggestions during the hearing period. This response has come from a wide cross section of stakeholders: citizens, faculty, academic staff, students, community leaders, alumni, business representatives, and elected officials. The actual written testimony can be read in the Board of Regents

office.

The Board of Regents greatly appreciate the public response to the draft recommendations, both for the thoughtful observations and because it reaffirms broad interest in the UW System by the people of Wisconsin.

## THE UNIVERSITY OF WISCONSIN PARTNERSHIP WITH THE STATE OF WISCONSIN

The best chance for maintaining high access to quality programs at affordable prices for Wisconsin citizens lies in a continuing, strong partnership between the UW System and the State of Wisconsin to meet the needs of the 21st Century. Our study shows that:

**The UW System Must:**

- Keep college affordable for the people of Wisconsin.
- Ensure quality and access for Wisconsin resident undergraduates through the year 2000 by increasing productivity to serve 4,000 additional FTE students.
- Meet the needs of Wisconsin's college educated workforce for continuing education.
- Expand the "Wisconsin Idea" so that the boundaries of the University become the boundaries of the world through use of distance education.
- Create a seamless web of education by expanding collaborative program agreements among UW System institutions and partnering with other four-year institutions, the K-12 schools, and the Wisconsin Technical College System.
- Keep administrative costs in the UW System low; continue to streamline campus administration.
- Continue publishing annual accountability reports for all of the UW System's stakeholders and work to attain goals.

**The State of Wisconsin Must:**

- Work with the UW System to increase management flexibilities and cut red tape that no longer adds value to the instructional mission.
- Maintain access and keep college affordable by continuing UW System base budget funding at current levels with appropriate increases for compensation and costs-to-continue in future biennia.
- Additional access beyond the 4,000 students will require additional state funding.
- Help the UW System increase productivity and its partnerships with K-12 schools and other groups by investing in instructional technology and distance education.



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## SYNOPSIS OF FINAL RECOMMENDATIONS

### Preserving and Enhancing Access to Quality

1. *When faced with a choice between educational quality and access, the UW System must choose to maintain educational quality.*
   Rationale: The need to maintain and enhance educational quality was, is, and must continue to be the cornerstone of the UW System as it enters the 21st century.

   ***"Everyone is very proud of the high access rate to the UW System and would like to keep it at that level, but there are strong reservations about anything we do that compromises the educational quality gains that were generated by Enrollment Management." Regent Kathleen Hempel - Chair, Working Group on Access & Affordability***
2. *Tuition recommendations sent to the Governor and Legislature will reflect incentives and/or disincentives for reducing credits to graduation.*
   Rationale: Reduced resources available to the UW System over the next several years place limits on the number of courses and credits that can be offered by UW institutions if educational quality is to be maintained. Excess credits consumed by one student can have a negative effect on the credits available to others at the current level of state subsidy. Data indicate that non-resident students and Minnesota Compact students take fewer credits to graduate than Wisconsin residents. Both sets of students pay more than Wisconsin residents, suggesting that credit consumption is at least partially responsive to cost.

   We believe that modest reductions in average credits taken can open up access for a significant number of additional students who otherwise will be denied access to the UW System. Better credit management will be accomplished through improved advising, course availability, and incentives/disincentives for reducing average credits taken. We recognize the value of "exploration" in the pursuit of an undergraduate degree and will preserve the opportunity for students to take 15% more credits than their programs require at regular tuition rates. Students will be able to continue to take courses above this threshold, but at a higher tuition rate.

3. *At least one UW System institution should pilot a four-year graduation contract by Fall 1997, with the remaining UW System institutions offering such an option by Fall 1998.* Rationale: Given the concern about both access and the cost of a college education, this is potentially an important vehicle for assisting students and their families. This will be one of many choices available to UW System students in the coming years and is purely voluntary. Currently, only 14 percent of new freshmen in the UW System graduate in four-years or less, and this rate has been below 25 percent since merger in the early 1970s. The contract will commit the university to provide specified courses and sequences and will commit the student to registering for and satisfactorily completing those courses in accordance with a 4-year plan. Increasing the number of students who graduate in 4 years reduces the cost of a college education to students and enables the university to schedule its instruction resources more efficiently.
4. *Instructional technology (IT) and distance education are essential for expanding and improving the student learning experience for all students on campus and returning adults. The underlying goal is to use these tools to develop an enhanced student-centered learning environment and to remove time and place as barriers to learning, both on- and off-campus. The UW System will forward a request for new instructional technology and distance education funding as part of its 1997-99 biennial budget request that will include components for improved access to hardware*

*and software, faculty/staff development, collaborative programming, and student support services.*

***"... The over-arching goal of this working group on the use of instructional and distance education technologies ... [is] to develop and enhance the student-centered learning environment ... [and] remove the barriers of time and place for students ... If time and place are eliminated as barriers for a student so they can learn or have access to what we offer as a System we have achieved a major step." Regent Lee Dreyfus - Chair, Working Group on Instructional Technology & Distance Education***

Rationale: With the appropriate investments in infrastructure and training, IT and distance education hold the promise to improve the student learning experience for all UW students as well as expand the reach of the UW System to placebound students and working adults. These technologies allow instructors to accommodate individual differences in student goals, learning styles and abilities, with greater convenience for both students and instructors.

We pondered some concerns expressed about the potential for an erosion in educational quality due to the use of distance education instruction. This concern was echoed in the public testimony. Because we wish technology to be our tool and not our master, these recommendations include the stipulation that distance education planning take into account necessary student/faculty interaction and consideration of the student's total needs.

***"Distance education will provide new learning opportunities for students, traditional and non-traditional, while eliminating some of the historical barriers to education. This is absolutely necessary in a society where an increasingly educated, skilled and trained workforce is needed. With the current labor shortage in Wisconsin, employers are very actively seeking educated and trained individuals and in cases where it is virtually impossible to find qualified individuals, businesses are spending an abundance of their own resources educating and training workers. Distance education will create more opportunities for individuals and provide life-long learning options for those who wish to further enhance their education." James Haney, President, Wisconsin Manufacturers Association***

5. *The UW System will work with Wisconsin high schools to:*
   - *encourage concurrent attendance at UW Centers during the school year.*
   - *to provide more college credit opportunities for capable high school students.*
   - *to develop and offer programs that enable qualified high school seniors to enroll as freshmen at UW System institutions (i.e., "3 + 4", "3 + 2", or "4+3).*

   Rationale: The total number of Wisconsin high school students taking courses at UW System institutions has also grown from about 900 in the mid-1980s to 1,200 in Fall 1995. The benefits of this practice are twofold. First, qualified high school students experience college-level courses and become better prepared academically for their freshman year. Second, earning college credit in advance reduces both the time and cost in earning a degree. The "3+2/"3+4"/"4+3" programs expand opportunities one step farther by enabling qualified high school students to begin their full-time college studies earlier than traditionally would have been the case. Using UW Centers for this purpose enables high school students to continue to live at home while starting their college work.

6. *UW Centers and UW-Extension should collaborate with the comprehensive and doctoral institutions in the delivery of upper division and distance education courses at UW Center*

*campuses.*

Rationale: While many Center students eventually transfer to a four-year UW System institution to complete their baccalaureate studies, some are unable to pursue this option for work or family reasons. Providing the opportunity for upper-level coursework at a Center or local Extension site would allow these students to continue their studies and progress toward the baccalaureate at lower cost without leaving home. Such expanded access also makes more effective statewide use of all our faculty assets.

## Keeping College Affordable

1. *The Board of Regents affirms current tuition policy: tuition increases should be moderate and predictable consistent with maintaining educational quality; and state funded financial aid (GPR) should increase at a rate no less than tuition and also reflecting increases in the number of aid eligible students*

Rationale: Our goal of providing the broadest possible access to a quality UW education is greatly enhanced by keeping student costs affordable. Annual tuition increases for resident undergraduates have remained generally moderate and less than 10% for the past several years (see chart below). While state funded financial aid programs have not kept ppace with tuition, the Board of Regents continues to recommend this as an important principle to the Governor and Legislature.

**Annual Percent Increase in UW System Resident Undergraduate Tuition**

| Academic Year | Madison | Milwaukee | Comprehensive | Centers |
|---|---|---|---|---|
| 1990-91 | 5.0 | 5.0 | 4.9 | 0.0 |
| 1991-92 | 3.4 | 3.4 | 3.4 | 3.4 |
| 1992-93 | 6.7 | 6.7 | 6.7 | 6.7 |
| 1993-94 | 7.3 | 6.3 | 6.3 | 6.3 |
| 1994-95 | 8.4 | 6.9 | 6.9 | 6.9 |
| 1995-96 | 5.5 | 6.5 | 6.5 | 6.5 |

UW System institutions should actively seek private sources for student financial aid and other purposes, and should be rewarded for resulting successes.Rationale: Because state-funded student aid has not kept pace with tuition, UW System institutions need to increase private fund raising

efforts, particularly at the comprehensive institutions. UW System institutions expended $7.4 million from private s ources (gifts and grants) in FY 1995 on student financial aid.

2. *UW System Administration will create materials in both electronic and print formats encouraging early saving for college, projecting the cost of attendance, and informing families about available student aid programs.*

   Rationale: While the UW System is committed to keeping student costs as low as possible, one of the best ways Wisconsin families and students can prepare for the cost of college is to start saving early. Providing background materials via the Internet and other avenues on the need to save for college, projected costs, and student aid will provide essential information to prospective students, families, and school counselors.

## Creating New Knowledge and FosteringCareer and Professional Development

1. *Each UW System institution should pursue partnerships with other UW System institutions, K-12 districts, Wisconsin Technical College districts, governmental agencies, and the private sector*

   Rationale: Fostering partnerships within and outside the UW System will facilitate the pooling of talent and resources to meet the needs of Wisconsin citizens and employers for the 21st Century.

2. *In order to foster timely new program development and innovation, existing UW System academic programs and program planning & review policies should be reviewed on a regular basis, and needed flexibilities provided when warranted.*

   Rationale: Upon reviewing the UW System's academic program array, the Program Array Working Group concluded that, while there has been dynamic change in the program array over time, the "larger portion of the UW System program array is unduplicated ...." In fact, 60 percent of the 249 separate majors offered at the undergraduate level in the UW System are offered at only one institution, and almost 90 percent are offered at one-third or fewer of the institutions (see graph below.) Further, the working group concluded that the UW System has a "good or better than average procedure for examining programs," and was impressed with recent changes that streamline system academic program policies (ACIS-1). Together, these findings suggest that the UW System has successfully pursued a policy of managed growth and development in the academic program area.

3. *In order to innovate and to respond to student demand, the Board of Regents will seek a statutory change to permit expenditure of program revenues as generated and creation of FTE positions as needed for credit (Fund 104-131) outreach instructional programs. This authority would be similar to that which the UW System already has noncredit (Fund 104-132) outreach instructional programs.*

   Rationale: The ability to create positions and expend program revenue funds as they are generated for credit outreach programs will provide a significant incentive for the timely development and delivery of such programs to meet student demand and will bring the administration of credit outreach programs in line with that currently in place for non-credit outreach.

***"The UW System seems to have done a good job in allocating resources to respond to changes in enrollment and in student interests and demands." Regent San Orr, Jr. - Chair, Working Group on Program Array***

4. *Invest in the training of faculty and staff to enable them to develop and utilize new technology based instruction both in the traditional classroom as well as at sites reached through distance education technology. The UW System will create a non-stock, non-profit organization to support technology-based instructional and distance education innovation and will generate $25 million to fund these initiatives from internal and external sources.*

   Technological change in areas which have a major impact on education is developing at the most rapid pace in human history. The use of interactive computer-based instruction promises dramatic enhancement in the tools faculty are able to use, the timeliness of incorporating new materials in the curriculum and improving student achievement. Just as the printing press revolutionized education at the close of the Middle Ages, the new technologies can dramatically help unlease full human potential for learning.

## Restructuring and Improving the Efficiencyof the UW System

1. *The following policies regarding auxiliary operations are proposed:*
   - *transfers out of auxiliary operations to other operating units and functions within institutions will be allowed on a one-time basis.*
   - *overall cost increases in auxiliary operations at each institution will be allowed to charge up to market rates for auxiliary operations, but any increase above the three-year average growth in Wisconsin per capita disposable income require Board of Regents approval.*
   - *preference should not be given to state residents for dormitory rooms except at institutions which require students to reside on campus.*
   - *the Board of Regents will review and amend as appropriate its policies on competition with the private sector to permit greater freedom to earn revenue from mission-related activities.*

     Rationale: In the face of current and future revenue restrictions, UW System institutions need both the flexibility to use existing auxiliary revenue and the ability to develop alternative sources of revenue to fund operating expenses.

2. *Chancellors will provide the Board of Regents with a report on existing and planned efficiency measures by October 1, 1996.*

   Rationale: The UW System is already one of the most efficient university systems in the nation. It spends a larger proportion of its budget on instruction and related activities (e.g., academic support and student services) compared with peer systems; while using a substantially lower proportion of its budget for administrative costs - 6.3% versus 10.8%. These reports will provide a

mechanism for sharing existing and planned cost-saving and cost-avoidance strategies and best practices.

3. *The following flexibilities are proposed for tuition setting:*
   - *Comprehensive institutions will be allowed to propose differential tuition rates among themselves and by program within an institution.*
   - *UW System institutions will be allowed flexibility in proposing nonresident tuition rates for students from neighboring states, provided tuition at least covers marginal costs.*

   Rationale: As with Madison and Milwaukee, each comprehensive institution has some unique programs with strong demand and/or special operating costs. Allowing institutions to propose differential tuition will help accommodate variances in demand, allow for the fair coverage of marginal costs, and provide the ability to charge market rates for some programs.

   Undergraduate tuition paid by non-resident students already covers more than the full cost of instruction - ranging from 113 percent of full cost at the Centers to 125 percent at Milwaukee. This ratio has been growing over the past few years; "profit" earned on non-residents helps to reduce tuition for Wisconsin resident students. The flexibility to set some non-resident rates above the marginal cost of instruction could help attract additional revenue to strengthen programs benefitting all students, resident and non-resident.

   ***"We found no source of outside revenue other than state dollars or tuition that was of the scale [of our projected budget needs] ... I don't think that even if we were to amend the competition with private sector policy to the extent that we permitted mission-related [entrepreneurial] activities, we could come close to raising enough funding ... The conclusion of the committee is ... if this Board is unsuccessful in advocating for state funding to support pay plan, we don't have a solution that is consistent with our objectives of access and affordability ... I would hope that members of the Board would recognize the importance in this biennium and succeeding biennia in outlining ... the consequences of the State's not maintaining its prior commitments and its prior history of support for the University System." Regent Daniel Gelatt - Chair, Working Group on Future Funding & Revenue Sources***

4. *In addition to directing UW System Administration to advise on flexibilities that the UW System itself can implement, the Board of Regents will seek a number of management flexibilities from the state, including:*
   - *elimination of external position control and position reporting requirements.*
   - *freedom to establish compensation levels and terms and conditions of employment for all university unclassified staff.*
   - *changes to the current capital budgeting process including the ability to issue revenue bonds for projects funded by Program Revenues.*
   - *seeking statutory authority to permit expenditures up to 5% above the amounts shown for tuition in the appropriation schedule to the extent tuition revenues are available.*
   - *enhanced flexibilities in the areas of purchasing, personnel, and fiscal management.*

   Rationale: These desired flexibilities would benefit students by:

   - Helping the UW System attract and retain talented faculty and academic staff who can spend more of their time on their primary responsibilities, focus on students, rather than on administrative reporting requirements.

- Reducing delays in the implementation of program revenue-funded building projects such as dormitories and student unions.
- Allowing institutions to add staff in a timely fashion to student-related areas.
- Strengthening high quality programs and expanded student demand by providing additional targeted tuition revenue.

***"The UW System is the only major system of public higher education in the U.S. carrying so many outdated bureaucratic burdens ... We must free the creative forces of the system from these burdens." Regent Sheldon Lubar - Chair, Working Group on Missions and Roles***

5. *The Board of Regents recommends that the concept and measurement of "productivity" be expanded to include the effectiveness of all instruction and instruction-related functions in the UW System, thereby recognizing the full array of services provided to UW students.*

   Rationale: The need for improved effectiveness is not a new concept for the UW System - this has been articulated previously in both the Systemwide accountability goals and Faculty Educational Workload Policy adopted by the Board of Regents within the past two years. However, these initiatives have focused largely on issues of instructional and instruction-related inputs such as faculty classroom contact hours and allocations of expenditures among various activities. As technology rapidly changes the learning environment, including the method of instruction, the UW System needs a broader concept of "productivity" that considers all of the instruction-related resources available to the institution to meet the needs of students - faculty, instructional academic staff, graduate assistants, and related support services (e.g., student services, financial aid counselors, librarians), and the quality of the educational experience and educational outcomes produced with these combined resources.

## CONCLUSION

While this is the "final report" of the Study, this report only identifies what needs to happen next. *Making* it happen will require a more specific implementation plan, to be presented to the Board of Regents by the President in the fall of 1996, showing how these recommendations will actually be put into effect.

Another aspect of the Study also continues: a sincere invitation for continuous public commentary concerning the policies, programs and performance of the UW System.

The involvement of more than 1,200 persons in responding to the preliminary recommendations of the Study was evidence, if any was needed, that the people of Wisconsin continue to care deeply about, and want the best for, the system of public higher education that they have created and sustained for so long.

It is the hope and desire of the Board of Regents that the dialogue continue. The involvement of the public, both directly and through a citizen Board of Regents, and the state's executive and legislative

branches, and students and faculty and staff through Wisconsin's shared governance process, remains essential for an institution that draws its true strength, not from the treasury, but from the trust of those it serves.

# FULL TEXT OF FINAL RECOMMENDATIONS:STUDY OF THE UW SYSTEM IN THE 21ST CENTURY

## Preserving and Enhancing Access to Quality

1. Distance learning technology is essential for expanding the capacity of the UW System's instructional resources. New technology can extend the reach of UW programs and enhance the efficiency of existing instructional resources. The Board of Regents should assure that the 1997-99 biennial budget recommendations to the Governor and the Legislature set forth a specific funding approach to further develop the necessary technology. Funds will be required for networking infrastructure, investment in up-to-date equipment and software, development of new instructional technology and providing training opportunities for faculty members.

   UW System Administration should prepare a recommendation for the Board's consideration on the investment required, the appropriate funding mechanisms necessary to advance these efforts, and an implementation schedule that outlines how the technology will be used to expand capacity within a specified time frame, including necessary student/faculty interaction and consideration of the student's total needs.

2. Tuition recommendations sent to the Governor and Legislature should reflect incentives and/or disincentives for reducing attempted credits to graduation. In addition, it is recommended that flexibility be added to the UW System's tuition structure to create incentives for students to successfully complete the requirements for a four-year graduation contract. These changes can only be successful through adequate advising and course availability. A pilot program allowing three-year, four-year, or five-year contract options should be established with selected institutions by Fall 1997, with systemwide implementation the following year.
3. The Board of Regents through UW System Administration should work with 1) high schools to encourage attendance at UW Centers during the school year; and 2) UW System institutions to make students aware of the availability of summer school opportunities at all UW System institutions, especially those close to the location of their summer employment or home.
4. The Board of Regents through UW System Administration should work with high schools to consider expansion of available college credits earned while students are still in high school.
5. The Board of Regents should affirm a policy that when faced with a choice between maintaining the Board's predetermined measures of educational effectiveness within budgetary constraints or providing access to its programs and resources, the University of Wisconsin System must choose to maintain educational effectiveness.
6. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, UW System institutions should be encouraged to create "3+4" programs to allow high school students who demonstrate appropriate competencies to enter the university after their junior year. UW Center-Richland shall be designated as an Integrated Learning Community with the flexibility to develop partnership programs that enhance student access to educational opportunities, including

a "3+2" program allowing high school students who demonstrate appropriate competencies to enter the university after their junior year. This will enable students to accelerate their high school education and to reduce the cost of their college education. In addition, a four-year institution should be encouraged to pilot a "3+4" program. Closer collaboration between the university and K-12 schools is also encouraged toward the aim of creating a seamless web of educational opportunity for high school students, including a "4+3" option.

7. The University of Wisconsin System will establish a goal to use instructional and distance education technologies to develop an enhanced student-centered learning environment and remove time and place as barriers to learning, both on and off campus.
8. The University of Wisconsin System should concentrate its efforts to expand the use of instructional and distance education technologies on the following four basic policies:
    - **Respond to Student Needs.** The University of Wisconsin System will have a coordinated systemwide plan that effectively utilizes appropriate technologies to provide high quality learning opportunities and services to students to meet their lifelong learning needs.
    - **Facilitate, Review, and Recognize Faculty Contributions.** The University of Wisconsin System will facilitate faculty use of instructional and distance education technologies in their teaching and will review and recognize their contributions to an enhanced student-centered learning environment.
    - **Foster Internal and External Collaboration.** The University of Wisconsin System will use instructional and distance education technologies to increase the cooperation and collaboration among University of Wisconsin System institutions and with appropriate other institutions such as other universities, K-12 schools, technical colleges, public libraries, businesses, and communities in developing appropriate programs and distance education delivery systems.
    - **Develop Instructional Technology Resources.** The University of Wisconsin System will provide training, support and, at a minimum, access to University-based hardware and software necessary for students, faculty and staff to effectively use technologies in their teaching and learning.
9. The University of Wisconsin System will undertake the following actions to expand the use of instructional and distance education technologies to support the development of an enhanced student-centered learning environment and remove time and place as barriers to learning, both on and off campus:
    - The University of Wisconsin System will assess the needs of on- and off-campus students and establish a plan to address student needs, in priority order.
    - The Senior Vice President for Academic Affairs, University of Wisconsin System Administration, will be given the authority and responsibility to implement the Systemwide Strategic Plan for Instructional Technology and Distance Education.
    - University of Wisconsin System institutions will be directed to:
        - a. Provide that faculty effort expended in developing instructional technologies for the classroom and for distance education is recognized in promotion, merit, and tenure decisions (e.g. equivalent to publications, teaching innovation, etc.)
        - b. Recognize that time spent and documented in development of instructional and distance education technologies applications and in training to use these technologies should be treated as any other part of faculty and staff workload
        - c. Develop a process to insure that faculty effectiveness in improving teaching and learning through the use of instructional and distance education technologies is incorporated into performance review and promotion and tenure evaluations.
    - The University of Wisconsin System will encourage the marketing of its intellectual property.



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        - a. The delivery of programs beyond the borders of the state will be encouraged when the out-of-state delivery, in turn, makes access to the program more affordable for Wisconsin citizens and when this delivery may leverage funds.
        - b. Adjustment of non-resident tuition will be allowed and facilitated when documentation of projected out-of-state enrollments shows that out-of-state delivery makes the program more viable and affordable to Wisconsin citizens.
        - c. A non-stock, non-profit organization will be created to support technology-based instructional and distance education innovation.
    - The University of Wisconsin System will establish incentives specifically designed to encourage the start-up of collaborative certificate or degree program initiatives that use instructional and distance education technologies.
    - Policies dealing with a myriad of issues such as transfer of credit, out-of-state delivery, workload, assignment of student credit hours, assessment of segregated fees, common course numbering, common calendar, core and degree requirements, uniform provision of student information (e.g., catalogues), etc. will be reviewed, clarified, or changed to remove barriers and encourage the use of technologies.
    - The University of Wisconsin System will establish and manage a fund to implement the four basic policies. An annual fund of $25 million will be generated from one or all of the following sources:
        - a. Request new state funding
        - b. Base reallocation at the institutions
        - c. Extramural funds (e.g. gifts, partnerships, grants, entrepreneurial activities, etc.)
10. To evaluate the progress made to enhance a student-centered learning environment and remove time and place as barriers to learning on and off campus:
    - The University of Wisconsin System will define learning needs by clientele group.
    - The University of Wisconsin System will regularly assess student satisfaction and other measures of academic quality related to the use of instructional and distance education technologies.
    - The University of Wisconsin System will assess formal working agreements and pilot projects to explore collaborative strategies.
    - The University of Wisconsin System will regularly assess and report on student, faculty, and staff access to hardware and software necessary to use instructional and distance education technologies.
    - The University of Wisconsin System will regularly provide to the Board of Regents information on how instructional and distance education technology utilization has been incorporated into performance reviews, promotion, merit, and tenure reviews and decisions.
11. In its endeavor to expand the use of instructional and distance education technologies, the University of Wisconsin System be guided by the following principles:
    - All instructional and distance education technology is student-centered; i.e., it is programmatically driven, it is intended to enhance learning and increase access, it accommodates different learning styles and circumstances, and it enables innovative interaction between faculty and students.
    - Faculty are key to successful utilization of instructional and distance education technologies.
    - Increased attention must be given to using instructional and distance education technologies to meet the lifelong learning needs of Wisconsin citizens.
    - Interinstitutional collaboration is a means to effectively utilize instructional and distance education technologies to enhance learning and increase access.
    - The need for standards, compatibility and collaboration is balanced with recognition of the

diverse missions, priorities and local traditions of the University of Wisconsin System institutions.

- All campuses must have appropriate infrastructure hardware and software to participate in comprehensive and coordinated use of instructional and distance education technologies.

12. The Board of Regents will develop a modest Distance Education Incentive Fund (DEIF), to be created from new dollars, for the purposes of : (1) acknowledging and rewarding current distance education activities, (2) encouraging development of new distance education activities, and (3) fostering collaboration using distance education technologies. As distance education activities and collaborative efforts grow, there will be a need to increase the size of the Distance Education Incentive Fund.

## Keeping College Affordable

1. The following Board of Regents Tuition Policies are affirmed:
   - Tuition increases should be moderate and predictable consistent with maintaining educational quality.
   - GPR financial aid and graduate assistant support should increase at a rate no less than that of tuition and also reflect increases in the number of aid eligible students.
2. The Board of Regents should assign responsibility and reward success for UW institutions that successfully increase grants obtained from private sources for financial aid purposes.
3. The state should provide funding increases for Wisconsin Higher Education Grants (WHEG) that are commensurate with the increased student budget needs of students attending a UW System institution.
4. The Board of Regents should consider adding tuition sensitivity to the WHEG formula.
5. The Board of Regents should request that System Administration, working with all UW System institutions, create materials, especially in any interactive electronic format, that will encourage parents to begin saving for college early, help them project the cost of attending UW System institutions and inform them about student aid programs.
6. In order to increase revenue, institutions should be encouraged to recruit additional nonresident students but not at the expense of access to resident students, and the Board of Regents should examine system policies that discourage recruitment of nonresident students.
7. The Board of Regents must be prepared to advocate that the state continue to provide funding to cover increases in staff costs. Forcing students to pay the costs through increased tuition will damage Wisconsin's tradition of affordability. Choosing not to pay competitive salaries in a competitive market will damage the System's effectiveness in delivering quality instruction, research and public service.

# FULL TEXT OF FINAL RECOMMENDATIONS:STUDY OF THE UW SYSTEM IN THE 21ST CENTURY

## Creating New Knowledge and Fostering Career and Professional Development

1. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, it is recommended that UW Centers work closely in collaboration with UW four-year institutions and with UW-Extension to deliver upper division and continuing education courses. This will extend the benefits of career and professional education to additional communities throughout the state.
2. Each UW System institution should forge strategic partnerships with other UW institutions, PK-12 districts, Wisconsin Technical College Districts and other public and private entities regionally, nationally and internationally that will produce cost savings, improved efficiency, and enhance the quality of services provided to internal and/or external constituencies.
3. It is recommended that the Board of Regents support the revised procedures for academic planning and program review contained in ACIS-1 and that it review these procedures in two years to evaluate their effectiveness in facilitating new program development and suggest two types of improvement: (a) revisions to the process itself; (b) new improvements to further enhance the process of new program development.
4. It is recommended that the Board of Regents, in order to be able to innovate and respond to student demand, seek a statutory change to permit expenditure of program revenues as generated and creation of FTE positions as needed for credit (Fund 104-131) outreach instructional programs. This authority would be similar to that which the UW System has with noncredit (Fund 104-132) outreach instructional programs.

*Note: A number of other recommendations emphasize the importance of the research and public service missions of UW System institutions, as well as the need to expand access for non-traditional students, returning adults, and continuing professional education for Wisconsin citizens.*

## Restructuring and Improving the Efficiency of the UW System

1. By October 1, 1996, chancellors of each UW System institution should provide the Board of Regents through UW System Administration with a report of efficiency-related measures undertaken to date and new recommendations of other efficiency measures that would increase

capacity in the future. Furthermore, we recommend the UW Board of Regents seek legislative authority for greater internal budgetary flexibility in the use of institutional funds in order to achieve increased capacity.

2. The Board of Regents should discuss the possibility of using its existing authority to allow comprehensive institutions to charge differential tuition rates within the cluster. Differential tuition rate increases may be no lower than general rate increases established by the Board of Regents.
3. Institutions should be encouraged to raise external funds and that modifications of system policies be considered to encourage such fund raising.
4. Section 20.285(1)(h), Wis. Stats., should be revised to include: "Each campus, the centers, and extension may, after appropriate consultation, and upon approval of the board, expend available moneys as needed for any program-revenue, student-related activity for which additional one-time funding is needed."
5. Institutions should be allowed to charge up to market rates for auxiliary operations, but any increases above the three-year average increase in Wisconsin disposable income require Board of Regents approval.
6. In order to increase revenue, the Board of Regents should allow negotiation of nonresident tuition rates for students from neighboring states at selected institutions subject to the Board's approval, with the condition that the tuition charged at least cover the marginal cost of instructing the additional students.
7. The Board of Regents should consider amending its Competition with the Private Sector policy to permit system institutions greater freedom to earn revenue from mission-related activities.
8. The UW System should continue Continuous Quality Improvement efforts to streamline operations, making them more efficient and effective with the possibility of reducing costs.
9. The Board of Regents should seek elimination of or modification to Section 36.25 (2), Wis. Stats. Elimination is preferred. If modifications are made, the language should state: "Preference as to rooming, boarding and apartment facilities in the use of living unit~~operated~~ *owned* by any university shall~~ for the following school year,~~ be given to students who are residents of this state and who *are required to live on campus. They must* apply ~~before~~ *by* March 15 *for the following school year,* unless a later date is set by the board. *If the university requires students to reside on campus, students who are residents of this state shall be given preference as to rooming, boarding, and apartment facilities.* Such preference shall be granted in accordance with categories of priority established by the board. ~~Leases or other agreements for occupancy of such living units shall not exceed a term of one calendar year.~~ The board may promulgate rules for the execution of this subsection."
10. The Board of Regents should seek authority to establish the compensation and other terms and conditions of employment for unclassified staff in the University of Wisconsin System.
11. The Board of Regents should seek authority to eliminate external position control and give UW System the authority to create all positions without the approval of the Department of Administration or the legislature.
12. The Board of Regents should seek authority to make the following alterations in position reporting:
    - Exempt the UW System from filing the Headcount Report because the Department of Administration can prepare its quarterly report, as required in Section 16.50 (3), Wisc. Stats., from other documents.
    - Exempt the UW System from submitting the FTE Report and Filler Positions Report because UW System's computerized personnel systems will be maintained so as to respond efficiently and effectively to inquires.
    - Modify the Position Change Report from a quarterly to an annual report.
13. The Board of Regents should direct the President of the UW System, in collaboration with the

chancellors, to explore strategies which would permit the UW System to move rapidly and effectively into the distance education market, and become a major provider. Specifically, the President should explore options such as:

- Quasi-public entities.
- Partnerships with private sector telecommunications entities.
- The use of Fund 104-131 and 132 (credit and noncredit outreach) or auxiliaries (Fund 128) for this purpose.

14. The Board of Regents should permit institutions that generate more tuition revenue than budgeted to expend 75 percent of those additional revenues, with the remaining 25 percent of those revenues being placed in a systemwide pool. The Board of Regents must also seek approval to add the following statutory language to Section 20.285 (1) (im): "Upon the approval of the Board of Regents, expenditure authority up to 5% above the amounts in the schedule shall be permitted to the extent tuition revenues are available."
15. The Board of Regents definition of its role in governing the University of Wisconsin System should include the following:
    - Establish goals, missions, and the policy and fiscal frameworks (within existing statutory limitations) within which institutions can do their own operational planning and implementation.
    - Appoint and evaluate the President of the UW System and the chancellors of the UW System institutions and empower them to meet their responsibilities within the policies of the board.
    - Evaluate institutional and system performance and hold each institution and System Administration accountable for accomplishing agreed-upon goals.
    - Foster diversity of mission among the institutions, maximizing synergies and minimizing inappropriate duplication.
    - Promote the "widest degree" of institutional autonomy within the limits of the law and Board policy.
    - Bring a citizen perspective to the UW System.
    - Serve as advocates to external constituencies on behalf of the UW System.
16. The Board of Regents should strengthen Board operations as follows:
    - Require orientation sessions for new Regents.
    - Conduct regular Board of Regents' self-evaluations (this fits with existing UW System Board policy).
    - Using private funds, have Board of Regents visit one peer institution outside of Wisconsin each year (Colorado model) in search of best practice.
    - Ensure that there is an annual strategic planning meeting and an annual development meeting.
    - Encourage all Board members to visit at least one UW System campus per year, in addition to the campuses they visit when they attend regular meetings of the Regents.
    - Solicit testimony from outside the UW System.
    - Foster relationships with the Executive and Legislative branches of government.
    - Use technology to strengthen operation of the Board.
    - Periodically review and revise Board policies and procedures.
    - Appoint a special Regent committee to examine the efficacy of Board of Regent operations in light of its responsibilities and to recommend improvements.
17. The definition of the UW System Administration should include the following:
    - Facilitate strategic planning.
    - Administer the UW System within federal and state laws, and Board of Regent policies,

encouraging within these constraints, the "widest degree" of institutional autonomy.
- Coordinate and seek synergies among the universities.
- Foster partnerships with other educational institutions, state agencies; and private entities.
- Foster a climate of decision-making that develops a single UW System position on important issues.
- Anticipate and plan for developing educational, economic and technological trends in higher education.
- Seek efficiencies and encourage the development of cost efficient common systems and common processes.
- Be accountable to the Board of Regents for effective provision of higher education in Wisconsin as assigned by Chapter 36 of the Wisconsin Statutes and Board of Regents policies.
- Monitor and evaluate performance of individual institutions.

18. The role of UW System institutions should include the following:
    - To be direct providers of instruction, research and public service, consistent with each institution's mission.
    - Maintain responsibility for operational planning and day-to-day operations.
    - To be responsive to the demand for user-friendly and client-responsive provision of services.
    - To utilize distance education and other instructional technology.
    - To be innovative in operations and fund-raising.
    - To collaborate with other institutions, state agencies, and private entities, to better serve internal and external constituencies.
    - To be accountable for meeting Board of Regent-designated outcomes and policies.
19. That since teaching academic staff are a growing part of those instructing students across the UW System, it is time to examine the role of teaching academic staff within the UW System with the intention of improving their status, roles, rights and responsibilities. To this end, and consistent with the language of Chapter 36, we request a review by the University of Wisconsin System Administration of the issues involved with teaching academic staff.
20. The Board of Regents should authorize the President to pursue alternatives to the current capital budgeting process. Those alternatives would include:
    - Seeking revenue bonding authority for projects funded by University Program Revenues. This program would apply only to the non-academic facilities that are funded primarily from university-generated user fees (dorms, student unions, etc.).
    - Seeking revenue bonding for academic projects with at least 25-50% outside funding. This alternative would be a variation of the present WISTAR program, under which the state has obligated itself to pay half the debt service on a $150 million program to build new research facilities.

The Board of Regents recognizes and accepts that it has a responsibility to protect, sustain and enhance the resources for which it has been given stewardship. However, the Board is frustrated in its ability to be accountable to the public for that stewardship of the $4.2 billion in physical facilities that have been entrusted to its care. This frustration is generated primarily by the uncertainty and lack of authority that surrounds the current capital budgeting process. Academic long-range planning and the ability to respond to rapidly-changing technologies and needs are seriously constrained because the funding to meet those needs is controlled by entities which are outside the jurisdiction of the Board of Regents. The Board is not seeking release from all of those constraints. However, the Board feels that it is essential that it be provided a dependable

level of funding within which to address the infrastructure needs of its many clients and various institutions.

A revenue bonding program for the University of Wisconsin System capital budget would provide this flexibility and improve its ability to be accountable. However the acceptance of such a program is uncertain. Nevertheless, the principle should be further debated in conjunction with the more limited revenue bonding program being advanced for public debate.

21. The definition and measurement of results should be expanded from its current focus to include all instructional and instruction-related resources. The Board of Regents recommends that the President of the UW System, in cooperation with the chancellors of each UW institution, further define the concept of university effectivenessand prepare a plan to implement this concept throughout the UW System. This plan should specify the principles, goals, and assessments to be used in implementing the initiative.
22. The missions of University of Wisconsin System institutions will be continuously redesigned during the decade ahead to meet evolving student and state needs. Therefore, at least one UW System institution, contingent upon appropriate consultation, should present to the Board of Regents, by June, 1997 a proposal to expand its institutional autonomy.
23. It is recommended that each UW institution create internally an innovation/incentive fund of approximately 0.5% of its GPR/Fee base budget to support systemwide priorities such as distance education, instructional technology, and collaborative programs. Expenditures of these funds shall be approved by the Board for coordinated investment. Each institution shall report on such reallocations annually to the President of the System.
24. The Board of Regents should permit one-time fund transfers between auxiliary operations and from auxiliaries to other program-revenue, student-supported activities:
    - Expand System Administration policy on auxiliary expenditures to permit the transfer of one-time funds from one auxiliary activity to another auxiliary activity for which additional one-time funding is needed.
    - Amend the statues [Section 20.285(1)(h)] to include:"Each campus, the centers, and extension may, after appropriate consultation, and upon approval of the board, expend available moneys as needed for any program-revenue, student-related activity for which additional one-time funding is needed."
25. The Board of Regents should encourage UW System Administration to pursue the investigation of various initiatives for which the Board, DOA or Legislative approval is required to enhance management flexibility in the areas of purchasing, personnel and fiscal management. These initiatives (listed under Categories 4 and 5) include such matters as increasing the purchasing threshold, creating incentives for energy conservation, modifying the capital budget approval process, removing limits on program revenue and FTE flexibility, changing auxiliary reserve reporting and modifying State personnel rules. The UW System Administration shall report the results of these considerations to the Board of Regents.
26. The Board of Regents should direct UW System Administration to advise on flexibilities that UW System itself can implement. These initiatives include modifying the System grant proposal process, relaxing the rigidity between program revenue funds and giving institutions the authority and responsibility for all credit generation except correspondence study.
27. It is recommended that the Board of Regents:
    - Delegate to the chancellors the authority to name rooms at their institution.
    - Develop a recommendation rescinding the Board's Resolution 40 of December 17, 1971, which authorized the System President and Vice President to deputize university police officers and instead delegate to the chancellors the authority to deputize university police

officers on their campus to enable them to exercise police functions authorized by statutes.

28. It is recommended that the Board of Regents, in order to improve overall program array planning systemwide, direct the Senior Vice President for Academic Affairs to meet annually with the vice chancellors on issues of Systemwide program array, including such items as program addition and deletion, institutional and Systemwide program needs, needed program changes and Systemwide balance of program array. This consultation shall result in a report for review by the chancellors that will be submitted to the Board of Regents as part of the annual December program report.
29. It is recommended that the Board of Regents seek changes in areas that create impediments to the efficient management of academic program array. Examples of how legislative changes would facilitate timely program array decisions include:
    - Increasing flexibility in expenditures of one-time savings by eliminating the ceiling on carryover for GPR funds.
    - Relaxing the rigidity within Program Revenue funds and, where appropriate, between funds.
    - Freeing the credit outreach budget from fiscal and other current restrictions.

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*This document was created by UW Office of the Board of Regents.*

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